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**CAFTA Cornucopia**  
By Daniel Griswold

Two contentious congressional hearings in recent weeks have lit the fuse for what could be an explosive debate over the Central American Free Trade Agreement, one of the most important trade bills to come before Congress in years.

CAFTA represents a milestone in U.S. trade and foreign policy. It will eliminate most trade barriers between the United States and six countries -- Guatemala, Honduras, El Salvador, Nicaragua, Costa Rica, and the Dominican Republic -- that together represent our second-largest export market in Latin America, behind only Mexico.

A broad swath of U.S. industry has endorsed CAFTA because it will open new export opportunities for U.S. companies and workers. More than 50 farm groups representing poultry, pork, dairy, fruit and other producers have endorsed CAFTA, along with America's most competitive manufacturing and service-sector producers.

On imports, the U.S. market is already largely open because of the existing Caribbean Basin Initiative and other preferential programs. CAFTA would guarantee that access, to the benefit of Central American producers and American consumers, while guaranteeing reciprocal access for U.S. exports.

The domestic sugar and textile producers complain CAFTA would open our market to ruinous competition, but their cries are hollow. The agreement does allow an extra 109,000 metric tons of sugar imports to our largely closed domestic sugar markets. The additional imports should be welcomed by American consumers and sugar-using industries forced to pay 3 times the world price for sugar because of protective quotas. The extra sugar imported from the CAFTA countries would amount to a mere one-tenth of an ounce per day per U.S. household -- or one of those little packets of sugar used to sweeten a single cup of coffee.

The textile lobby's objections to CAFTA are equally misguided. Domestic textile-makers warn that the agreement's "rules of origin" will allow shirts and other apparel made with foreign fabric to be more easily imported to the United States. But because of proximity and historical business ties, Central American apparel producers prefer using U.S.-made textiles. Last year, U.S. firms exported \$2.6 billion worth of textiles to the six CAFTA countries. Failure to enact the agreement will hurt some of the U.S. industry's best customers.

More ideological opponents of CAFTA claim it does not adequately protect labor and environmental standards. But those claims ignore the extensive language in CAFTA obligating the Central Americans countries to enforce existing laws and preventing them from weakening those laws to gain any trade advantage. Five of the six CAFTA countries

have ratified all eight "core" International Labor Organization conventions, while El Salvador has ratified six. (The U.S. has ratified two.)

Critics also ignore the even more fundamental reality that expanding trade and growth promote the higher standards they claim to seek. As the CAFTA countries have opened and liberalized their markets, they have raised their standards. Regional adult literacy rates have risen significantly since 1980, and child labor rates have fallen sharply. According to the World Bank, a higher percentage of people in the CAFTA countries enjoy access to improved water and sanitation systems than in Morocco, a country that Congress overwhelmingly approved as a free-trade partner in 2004.

To reject CAFTA because of "inadequate" protections for labor and environmental standards would perversely deny those countries the powerful and necessary tool of trade expansion to lift those very standards. It would punish some of the poorest countries in our region merely for being poor.

Along with economic liberalization and higher standards, the CAFTA countries have progressed dramatically toward increased democracy and civil freedom. In the 1980s, the region was torn by civil strife and communist insurgencies. Today all six CAFTA countries are multiparty democracies at peace internally and with their neighbors.

More progress needs to be made, but the region has moved dramatically in the right direction. Passage of CAFTA would strengthen democracy and human rights in the region by building a larger and more independent middle class -- the backbone of democracy in Taiwan, South Korea, Chile, Mexico and other pro-reform countries.

In a recent speech, Nicaragua's Trade Minister Mario Arana reminded members of Congress that CAFTA would lock in "the remarkable changes that our countries have made in this generation, moving away from dictatorship, civil war and conflict to democracy and economic reforms in order to promote equity and justice, and ultimately, better standards of living for our citizens."

If Congress rejects CAFTA, it will send a chilling message to reforming countries everywhere of U.S. indifference to progress. If it approves CAFTA, it will create more opportunity for American workers at home while strengthening capitalism, democracy and human rights in our own neighborhood.

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